



Information Bulletin

Ecopratic and 3-4 litres products

To all agents and suppliers

Business opportunity

The Société des alcools du Québec (SAQ) would like to inform you of its business strategy with respect to ecopratic products and 3-4 litres products within the context of a Call for Tenders that will be published in early July 2010. The SAQ is now sharing its intentions with you in order to promote partnerships between bottlers and suppliers, and to ensure that the offers that are submitted are perfectly aligned with its foreseen specific needs.

The **objectives** of this strategy are as follows:

- To improve the reputation and appreciation of ecopratic wines and 3-4 litres products among consumers.
- Facilitate the customer's buying experience in connection with these two types of products: by offering known brands and contents, it will be easier for the consumer to accept a non-traditional container.
- To offer an excellent quality/price ratio, and to demonstrate the savings associated with the format or the packaging. As such, the selected products must represent significant savings compared to the 750 ml format. In addition, we strongly recommend that the volume discount be clearly indicated on the product packaging.
- To offer a line of products that is complimentary to the line that is offered in groceries.
- To increase the value of the average transaction by encouraging consumers to buy a larger container.
- To support sustainable development at the SAQ by converting a portion of sales to more ecological alternative containers like Tetra Paks, polyethylene terephthalate (PET), Bag in a box (BIB), and pouches, thereby reducing the weight of the containers that we sell.



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Searched products

The SAQ would like to market 4 new types of 3-4 litres products (Bag in a box (BIB) only) and 2 new ecopratic products (Tetra Paks, polyethylene terephthalate (PET), Bag in a box (BIB) less than 3 litres, and pouches). These products must be extensions of the line of top 3 sellers in the categories and price segments mentioned below:

Between \$10.00 and \$12.49*: Category #1 France - Languedoc
Category #2 South Africa
Category #3 Italy - Veneto

Between \$12.50 and 14.99*: Category #1 France - Languedoc
Category #2 Australia
Category #3 Italy - Veneto

Between \$15.00 and \$17.49*: Category #1 France - Bordeaux
Category #2 Italy - Tuscany
Category #3 France - Burgundy

Between \$17.50 and \$19.99*: Category #1 United States
Category #2 France - Beaujolais
Category #3 Australia

This approach will ensure representation for a variety of price segments and diversity in terms of origin. All product offers for which the reputation of the brand complies with the pricing strategy will also be considered.

The under \$10.00* price segment being already well filled, no offers for this price range will be considered.

* Price equivalent to a 750 ml format bottle.



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Partnership

If you would like to submit a wine in response to this Call for Tenders but you do not have the facilities or an ecopratic format, we invite you to contact one of the foreign or Quebec-based bottlers listed below, and agree on the terms for this type of format. These companies are important SAQ partners that have the necessary equipment:

Kruger

Stéphanie Vachon

Telephone: 450-645-9777, extension 1241 E-mail: svachon@futailles.com

François Malenfant

Telephone: 450-645-9777, extension 1217 E-mail: fmalenfant@futailles.com

Bag in a box (3 L, 4 L, 10 L, and 20 L)

Plastic bottles with plastic or metal caps in 375 ml, 750 ml, and 1.75 L sizes

Glass bottles (50 ml, 187.5 ml, 250 ml, 500 ml, 750 ml, and 1 L)

Cork, synthetic, and metal caps

Tetra Pak – 1L format

Option to bottle wine and spirits

Facilities for sparkling wines with metal over caps

Depending on demand, possibility of bottling in other bottle sizes

Société de vin internationale

Vincent Santillo

Telephone: 450-661-0281, extension 1117 E-mail: santillo.vincent@groupeomni.com

Wine: polyethylene terephthalate (PET), 3-4 Litres, bottles, bag in a box, and cans

Vincor

Robert Champagne

Telephone: 1-800-561-8634 E-mail: robert.champagne@vincor.ca

3-4 Litres, Bag in a box, PET (750 ml - 1 L), regular or 375 ml light flat wine bottles, 4 litres, regular effervescent wine bottles (375 ml to 4 Litres).

Vins Arista - Lassonde Inc.

Pascal Lepitre

Telephone: 1-888-200-7778, extension 276 E-mail: pascal.lepitre@lassonde.com

Bag in a box (BIB) in 3 L and 4 L formats

Tetra Pak in Prisma 1 L and Tetra Slim 1 L formats



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Additional support

- In order to obtain better collaboration and participation of business partners, and to minimize the risks that they must take in developing this market, the exceptional measures that were published on July 9, 2009 were revised in order to eliminate fines, penalties, and quotas for the Ecopratic category. From now on, the performance of products in this category will be evaluated based on the ratio between the growth of sales (in dollars) and the level of sales (in dollars). These are the [exceptions](#) related to ecopratic products.
- Selected products will have the opportunity to be positioned in two strategic locations in the outlets. Products in glass bottles will be placed in their category of origin, and the new products will be placed in the Ecopratic or 3-4 litres Category, as the case may be. In addition, a shelf label announcing that the product is also available in an ecological container will be affixed in front of the product in glass bottles.

Summary of important dates and next steps

- Publication of the Call for Tenders: early July 2010
- Product selection: October 2010
- Planograms: February 2011
- In order to highlight the introduction of these new products, promotional support will be introduced in the Spring of 2011. A reminder will be issued during the 2011 Holiday Period.

For more information, please contact our
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(Business Relations Assistance Service)
by e-mail, at sara@saq.qc.ca, or by phone, at 514-254-2711.